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KINSHIP CARE

The Kinship Care program provides cash assistance to relatives caring for children whose parents are absent or otherwise unable or unwilling to provide care for them. It was created in 1997 to replace assistance formerly available under Aid to Families with Dependent Children for children living with non-legally responsible relatives. Kinship Care is administered by the Department of Health and Family Services and, at the local level, by county or tribal child protective services agencies. Its budget, which was \$24.2 million in fiscal year 1998-99, is funded through a federal block grant and general purpose revenue.

Demand for Program Benefits Exceeded Initial Projections

Monthly Kinship Care assistance payments are \$215 per eligible child; in June 1998, the program provided benefits to 8,016 children, which is 349 more than the number estimated during budget preparation. An additional 594 children were placed on waiting lists because the program's original appropriation was insufficient to meet demand for benefits.

Because eligibility requirements are more restrictive, the program's first biennial budget was based on the assumption that fewer families would participate in Kinship Care than had participated in the previous program for children living with non-legally responsible relatives. However, demand for Kinship Care benefits was higher than expected. Increased demand was greatest in Milwaukee County, where more than 5,400 children were either receiving or on a waiting list for Kinship Care benefits in June 1998. In response to caseload growth beyond original projections, an additional \$1.9 million in federal block grant funds was transferred to the Kinship Care program in September 1998. This amount is expected to prevent the recurrence of waiting lists through the end of the current biennium.

Local Implementation Practices Have Been Inconsistent

In investigating the reasons for unexpected Kinship Care growth, we found that local agencies were implementing the program inconsistently, particularly with regard to the treatment of income. For example, some localities deny eligibility when an absent parent's income is higher than the federal poverty level or when child support payments exceed the Kinship Care benefit of \$215 per month. Treatment of children's income also appears to vary widely among local agencies: although statutes require that only Supplemental Security Income for children with disabilities be considered in determining program eligibility, some local agencies have denied eligibility or reduced benefits based on Social Security survivors' benefits or life insurance benefits payable to the children of deceased parents. We recommend that the Department ensure eligibility and benefits determinations are consistent and in compliance with existing statutory requirements. In addition, the Legislature may wish to reexamine provisions in the Kinship Care statutes relating to the income of children and caretaker relatives.

Criteria for Voluntary Placements Require Clarification

The Kinship Care program currently provides assistance for children who either meet or are at risk of meeting the statutory criteria for being in need of protection or services. When residence with a relative has been arranged informally rather than ordered by the courts, child protective services staff must rely on professional judgment to determine whether "at risk" criteria have been met. Currently, neither statutes, administrative rules, nor the Department's written program guidance provide assessment criteria.

The Legislature has directed the Department to promulgate administrative rules that include assessment criteria, and the

Department expects to submit its proposed rules for legislative consideration in January 1999. At that time, the Legislature may wish to clarify the circumstances under which children who are not yet in need of protection or services should be eligible for Kinship Care benefits.

Program Monitoring and Oversight Should Be Improved

The Department has provided only minimal monitoring and oversight of program operations. For example, although local agencies began to create waiting lists as early as August 1997, the Department did not collect or quantify statewide information and address the funding shortfall until more than a year later. Currently, it has no plans to continue monitoring waiting lists or other unfunded demand for program services. In addition, the Department has made minimal effort to monitor the costs claimed by local agencies for eligibility assessments and related costs, which vary widely. To support future management and policy decisions, the Department needs to implement a basic level of program monitoring.

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